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TAGS: [EFIN](#) [EAID](#) [NL](#) [IMF](#) [IBRD](#)

SUBJECT: Bank/Fund Meetings: Dutch Positions

The Dutch government has announced that it will support the following positions at the September 21-22 Bank/Fund Meetings in Dubai.

1. Enhancing Crisis Prevention

-- Adoption by the IMF on a trial basis of a "balance sheet approach" in the context of regular Article IV consultations.

-- Issuing Article IV reports without the country being examined signing off.

-- Making more explicit in the "public notes" when countries do not follow IMF advice.

-- Holding up "precautionary arrangements" as good signaling instruments to promote good policies and calm markets. However, the Dutch oppose exceptional lending under this sort of arrangement.

2. Progress on Crisis Resolution

-- Ensuring faithful and consistent application of strict conditions for exceptional access to IMF credit. Discussions over Argentina will be an important test in this regard. The Dutch believe the private sector has to play a concrete role in solving the BOP problems of countries in crisis.

-- Supporting the "contractual approach" to debt stocks based on the G-10 standard.

-- Making codes of conduct more meaningful including through fora where debtor and creditor country authorities can interact.

3. Support for Low Income Countries

-- Increasing the effectiveness of programs through more realistic growth prognoses and alternate scenarios and more precisely spelling out the crucial policy measures that should be taken.

-- Supporting better coordination between the Fund, bilateral donors, and multilateral institutions.

4. Quotas

-- Opposing a general quota increase

5. Funding for Development

-- Mobilizing sufficient funding for development including through overall increases and increased effectiveness of ODA.

-- Encouraging more extensive and effective peer reviews

-- Stressing that OECD members should confirm to the UN "norm" of allocating 7 percent of their GNP to ODA

6. Representation and Participation of Developing Countries and Countries in Transition in IMF/World Bank Decisionmaking

-- Opposing a third African seat on the Board of Governors as this could cost the Netherlands its seat.

-- Supporting a gradual increase in the number of basic votes to correspond with the original share of basic votes in the total voting weight.

7. Progress Report on Trade

-- Underscoring the importance of continued trade liberalization and the role of the World Bank in its analytical work in support of free trade.

-- Calling for the Bank/Fund to include trade policy as a theme of their surveillance activities.

18. Monitoring Achievement of MDG

-- Increasing dialogue between developed and developing countries on achievement of the MDG

19. PSRP/HIPC Progress Reports

-- Underscoring the significance of the PSRP process and the importance of each country's assuming responsibility for its own development.

-- Expressing continued concern with the tenability of the debt burden of HIPC countries.

10. Implementation of the World Bank Group Infrastructure Plan

-- Supporting this action plan and calling for more support for investment in poverty-reducing infrastructure.

Sobel